



LAKES OIL N.L.

(A.C.N. 004 247 214)

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18 September 2003

The Manager - Companies,
Australian Stock Exchange Limited,
Stock Exchange Centre,
530 Collins Street,
MELBOURNE VIC. 3000

Dear Sir,

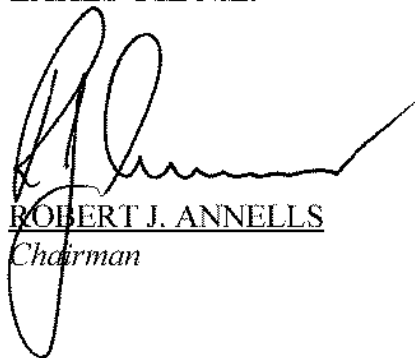
“PATTIES PIES SOUTH NO. 1” WELL, PEP 156
Onshore Gippsland Basin, Victoria
Interests: 100% Lakes Oil N.L.

Lakes Oil N.L. (“LKO”) wishes to advise that the drilling rig for the drilling of the Patties Pies South Well has arrived on site and drilling has commenced. The anticipated depth of the well is approximately 430 metres.

Patties Pies South is a follow-up well to Patties Pies No. 1 and is being drilled to assess a structure to the south of a bore hole which has been producing gas with water to the surface for some time.

Drilling of this well is expected to take approximately 7 days.

Yours sincerely
LAKES OIL N.L.



ROBERT J. ANNELLS
Chairman